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SILBERBERG, L., editor. *Deutsches Kartell-Jahrbuch, Jahrgang 1911.* Parts 1 and 2. (Berlin: Puttkammer & Mühlbrecht. 1911. Pp. 170.)

Printed in four parts at a cost of 3.50 m. each.

WIEDENFELD, K. *Des Persönliche im modernen Unternehmertum.* (Leipzig: Duncker & Humblot. Pp. 108. 3 m.)

Contains chapters on English, German, French and American enterprise.

WOLF, C. *Die Rechtsfähigkeit der Aktiengesellschaft im Konkurse.* (Berlin: R. Trenkel. 1911. 1.20 m.)

## Labor and Labor Organizations

### HISTORY OF CALIFORNIA LABOR LEGISLATION

In the REVIEW for September, 1911, page 587, Miss Lucile Eaves raised certain issues of fact with regard to portions of the review of her monograph, *A History of California Labor Legislation*, prepared by Mr. Ira B. Cross. It is only fair to Mr. Cross to state that he based his criticism upon a personal study of California labor, including newspapers and documents, supplemented by interviews with men who have been prominent in the labor movement in that state. Readers who are interested in this special field of investigation will have opportunity to weigh the conflicting evidence as presented in a forthcoming monograph by Mr. Cross on *The History of Labor in California*. California is to be congratulated upon being honored by two exhaustive monographic studies relating to this branch of economic history.—MANAGING EDITOR.

*Wages in the United States, 1908-1910. A Study of State and Federal Wage Statistics.* By SCOTT NEARING. (New York: The Macmillan Company. 1911. Pp. viii, 220. \$1.25.)

Professor Nearing rightly describes the state publications on wages as follows: "Of the forty-seven States of the Union, not more than five publish good up-to-date wage statistics. These five are Massachusetts, New Jersey, Kansas, Oklahoma and Ohio. Of the remaining States, a score publish statistics of average wages only, which, in some cases, are so unrepresentative as to be valueless" (p. 15). Professor Nearing does not use the New York material because it relates to unions only, and he does not use the Ohio data because they are diffuse and not sufficiently sum-

marized. The United States Bureau of Labor has discontinued its periodical studies of *Wages, Hours of Labor, and Retail Prices of Food* (the latest figures being for 1907) and no data on wages were gathered in the census of 1910. Hence greater dependence will have to be placed upon the wage reports of the State Bureaus and it is more important than ever that the latter reports should be made uniform both in material and form of presentation.

Professor Nearing's study leads him to the following conclusions: The variation of the level of wages throughout the country is less marked than is generally supposed; the "contrast between the lowest (South Central) and the highest (Western) group of states shows, for similar organized occupations, no considerable wage variation" (p. 168). There is no regular variation of wages corresponding to size of the cities containing the manufacturing establishments, but the variation "appears to depend upon the individual establishments rather than upon the size or location of the cities or towns" (p. 168). The earnings of adult males and adult females east of the Rockies and north of the Mason and Dixon line, no deduction being made for unemployment, are as follows: "Half of the adult males working in industrial sections of the United States receive less than \$600 per year; three quarters are paid less than \$750 and less than one tenth earn \$1000 a year. Half of the women fall below \$400 a year; while nearly nine tenths receive less than \$750" (p. 213). Rates of wages "should be reduced by, perhaps, 20 per cent" in order to give actual earnings (p. 213). Making the 20 per cent deduction for unemployment, the result is as follows: One half of the adult males and nine tenths of the adult females east of the Rockies and north of the Mason and Dixon line actually earn less than \$500 per year; three fourths of the adult males and nineteen twentieths of the adult females earn less than \$600 a year; and nine tenths of the adult males earn less than \$800 a year" (p. 214).

These conclusions will be considered in the order in which they are stated in the preceding paragraph. The conclusion that wages in the different geographic sections of the United States show no consistent variation is in accordance with that of the English Board of Trade (see *Cost of Living in American Towns*, p. xviii). The Board of Trade, using the method of index numbers with the figures for New York as the base, found that

Chicago and Duluth are the only two towns east of the Mississippi having higher indices of wages than New York City. In regard to the question of the variation of wages with the size of the city the Board of Trade found that "with one exception, the index numbers for skilled men fall in unbroken sequence with the size of the population group, while those for unskilled men are irregular. In no case, however, does the difference between any such group and New York exceed 26 per cent. . . . The figures appear to illustrate a wide diffusion of active industrial life and great mobility of labor" (p. xix). Professor Nearing does not state, nor do his data enable him to state, his conclusion in regard to this question with the exactitude of the Board of Trade. The two conclusions are, however, consistent.

The author's most important conclusions are those concerning annual rates of wages, and annual earnings found by deducting 20 per cent from annual rates. Existing data do not give a direct answer to the question, What percentage should be deducted from annual rates to give annual earnings? The estimate of earnings is largely based upon the Massachusetts data for 1908 and the New Jersey data for 1909. The manufacturers of these states report, in addition to classified rates of wages, the number of days that their establishments were idle during the year. Massachusetts establishments were idle 12 per cent of the working time in 1908 and New Jersey establishments were idle 10 per cent of the working time in 1909. Professor Nearing makes a 20 per cent deduction from annual rates to cover loss of time for personal factors, such as sickness and accident, as well as the loss of time due to lack of opportunity to work. The New York Bureau of Labor statistics furnishes the best unemployment material available. This bureau publishes the percentage of idleness in labor unions, by months and trades, of nearly half a million union men. For active years, like 1906, 1907, and 1909, the percentage of unemployment during the entire year is found to be about 10. For a dull year, like 1908, the percentage is upwards of 20. There can, as Professor Nearing says, "be no general agreement as to what reduction should be made" (p. 233). Objection to a 20 per cent deduction may be made on the grounds that it takes no account of an increase of earnings secured by temporary employment. Decided objection is also to be made to the author's

careless use of his most important terms, i. e., "rates" and "earnings." For instance, he refers to the weekly rates of Massachusetts as "classified weekly wages" (p. 30) or "classified weekly earnings" (pp. 37, 43), and he does not specify whether the figures from the various reports are really rates or earnings.

Perhaps the most reliable extensive investigation of wages in the United States was the one carried on in connection with the United States Census of Manufactures in 1905. The wages question is so important that Professor Nearing's results will be compared with the results of the census of 1905 as given in Bulletin 93 entitled *Earnings of Wage-Earners*. The data given in Bulletin 93 cover over three millions of wage-earners in various industries throughout the United States. Information was obtained for three classes of employees—men 16 years and over, women 16 years and over, and children under 16 years of age. The wages quoted are the actual amounts paid to the employees during the week in which the largest number was employed, and hence take into account merely the loss of time by wage-earners due to personal reasons during the week in question. The results of the investigation may be summarized as follows:

Men 16 years and over:

25 per cent	receive less than	\$8.	per week or	\$416 per year
50 per cent	" " "	10.50	" " "	546 " "
80 per cent	" " "	15.	" " "	780 " "
94 per cent	" " "	20.	" " "	1040 " "

All average \$11.16 per week or \$580 per year.

Women 16 years and over:

50 per cent	receive less than	\$6.	per week or	\$312 " "
80 per cent	" " "	8.25	" " "	429 " "
92 per cent	" " "	10.	" " "	520 " "

All average \$6.17 per week or \$321 per year.

The actual annual earnings as given by Professor Nearing (20 per cent for unemployment deducted) are about 5 to 25 per cent below those found in the investigation of the Bureau of the Census for 1905. Since wages are higher than they were in 1905 it appears that Professor Nearing's figures are a minimum estimate.

In the first chapter, and in other places, the author's treatment is pedantic. He elaborates the obvious needlessly. For instance, he says that division of labor has resulted in each

worker having "some small and apparently meaningless operation to perform. These specialized occupations, however, are anything but meaningless, for organized and directed by a captain of industry, they create a completed product [!]" (p. 170). The treatment of skilled and unskilled workmen is unsatisfactory because his criterion of skill is the amount of wages received. The definition of the "simple mathematical average" (arithmetic?) is wrong. It is said (p. 120) to be "secured by adding the rates of wages and dividing by the number of different groups of wage-earners." An arithmetic average is thus defined to be the simple arithmetic average of arithmetic averages. Professor Nearing's definition of the "weighted average" is the correct definition of the simple arithmetic average (see Bowley's *Elements of Statistics*, p. 109, and Yule's *Theory of Statistics*, p. 108).

*Wages in the United States* contributes nothing to the methodology of wage statistics; it is a useful compilation of existing data with a statement of the more or less obvious conclusions to be drawn therefrom.

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*Unemployment in the State of New York.* By WILLIAM MORRIS LEISERSON. (New York: Privately printed. 1911. Pp. 199.)

This study was made for a public commission aiming at legislation. It is welcome because (with its appendices) it adds to our meagre information on unemployment in America. From official censuses, records of relief agencies, employment bureaus and trade-unions, and from special testimony, the author infers that the workers of New York average ten weeks of idleness a year. Simultaneously there is an unfilled demand for labor. Interesting details regarding the causes of unemployment are given: that seasonal declines in advertising occasion seasonal idleness in newspaper publishing; cigar makers keep within orders because "cigars do not 'ship' well when dry." Interesting also is the analysis of irregular changes in the demand for labor.

Changes in the supply of labor, strangely, are neglected. "What are the eighty odd thousand factory employees of the